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BERNARD SANDERS, VERMONT,
INDEPENDENT

February 28, 2002

The Honorable Pat Wood
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Dear Chairman Wood:

I am in receipt of your letter, which you sent to Representatives Joe Barton and Rick Boucher, responding to my questions about your contacts with Enron. Thank you for providing this information.

I am, however, confused by your response. Yesterday's *Los Angeles Times* reports that your office contacted Enron for "policy advice" as recently as October 30, 2001.¹ There is no mention of these contacts in your response, and I have enclosed this article for your convenience.

Additionally, I do not understand your omission of meetings with "non-executive Enron staff or outside attorneys." This phrasing suggests that the disclosures do not include meetings you might have held with lobbyists or attorneys hired by Enron. Any complete accounting of your contacts with Enron obviously should include a list of any meetings with lobbyists, attorneys, or others representing Enron's interests.

For these reasons, it appears possible that relevant information may be missing from your letter. Therefore, I am again requesting that you provide information regarding all contacts that you or your staff had with Enron CEO Ken Lay, Enron employees, or Enron representatives during your terms as commissioner at the Federal Energy Regulatory Commission and at the Public Utility Commission of Texas. For each communication identified, please provide the names of the persons involved, the dates of the communication, the form of communication, a summary of the information exchanged or matters discussed during the communication, and


¹*FERC Sought Advice From Enron in Oct.*, Los Angeles Times (Feb. 27, 2002).

The Honorable Pat Wood
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copies of any written materials or electronic communications provided by Enron or their representatives.

I appreciate your immediate attention to this matter.

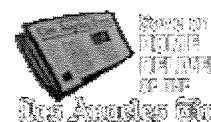
Sincerely,

A handwritten signature in black ink, reading "Henry A. Waxman". The signature is fluid and cursive, with the first name "Henry" being more prominent.

Henry A. Waxman
Ranking Minority Member

Enclosure

cc: The Honorable Joe Barton
The Honorable Rick Boucher



<http://www.latimes.com/business/la-000014817feb27.story>

FERC Sought Advice From Enron in Oct.

By EDMUND SANDERS
TIMES STAFF WRITER

February 27 2002

WASHINGTON -- Federal energy regulators sought policy advice from Enron Corp. last fall, even after the company disclosed its financial problems and revealed that the Securities and Exchange Commission was looking into the matter, new documents show.

On Oct. 17--a day after Enron disclosed that it would slash its shareholder equity by \$1.2 billion--an assistant to Federal Energy Regulatory Commission Chairman Pat Wood e-mailed two Enron officials, asking for their advice about the agency's efforts to regulate electricity transmission lines in the West, according to documents obtained by The Times under the Freedom of Information Act.

"Sometimes it's hard to see a clear path to gain public trust and make markets work, but I couldn't be more impressed with Pat Wood's ability to get us there," wrote Rob Gramlich, Wood's assistant, to Alan Comnes and Tim Belden, two Enron officials. "I have a policy question for you." Gramlich went on to ask the men about a certain pricing system that regulators were considering for regional transmission markets in the western U.S.

Records show that Gramlich and Comnes continued to correspond through the end of the month and met Oct. 30 in Washington to talk "more about market structure in the West."

A week earlier, Enron disclosed that the SEC had launched an informal inquiry into the company's accounting irregularities.

FERC spokesman Kevin Cadden said there was nothing improper about the contacts, saying that Gramlich was gathering input about a FERC issue from a variety of sources, including energy companies, consumer groups and state officials.

He said Gramlich turned to his former UC Berkeley classmates Comnes, Enron's former director of government affairs, and Belden, who oversaw Western operations., them at UC Berkeley.

Wood previously had said Enron did not wield any undue influence. Documents show that Enron Chairman Kenneth L. Lay, who endorsed Wood's appointment as chairman, called Wood on Nov. 8 to discuss the company's problems. Wood did not return the call.

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